

LOAN AUTHORIZATION AGREEMENT

THIS LOAN AUTHORIZATION AGREEMENT (this "Agreement") is made and entered into by and between the entity identified as Lender on the signature page hereof (the "Lender") and the Export-Import Bank of the United States ("Ex-Im Bank"). This Agreement sets forth the specific terms and conditions of the Loan Facility known as Guaranteed Loan No.

_____ which is guaranteed by Ex-Im Bank pursuant to the Master Guarantee Agreement dated _____ between Ex-Im Bank and Lender (the "Master Guarantee Agreement"). Unless otherwise defined, the capitalized terms used herein which are not defined herein shall have the meanings set forth in the Master Guarantee Agreement.

1. Lender's Name and Address: The full name, address, contact person, telephone and telefax numbers of Lender are as follows:

Name: _____
 Address: _____

 Attention: _____
 Telephone: _____
 Telecopier: _____

2. A. Borrower's Name and Address: The full name, address, contact person, telephone and telefax numbers of Borrower are as follows:

Name: _____
 Address: _____

 Attention: _____
 Telephone: _____
 Telecopier: _____

- B. Additionality: Please select appropriate answer(s).

☐

- (1.) Borrower meets all small business criteria:

- (i) Maximum Amount is \$2 million or less;
- (ii) Borrower qualifies as Small Business under SBA Guidelines;
- (iii) Borrower employs 100 people or fewer; and
- (iv) Borrower's annual revenues do not exceed \$10 million.

- ☐ (2.) Repayment risk associated with foreign sale.
- ☐ (3.) Borrower's creditworthiness requires Guarantee.
- ☐ (4.) Lender's internal lending limits reached.
- ☐ (5.) Lender's statutory lending limits reached.
- ☐ (6.) Other (please specify) _____.

3. Guarantor's Name and Address: Are there Guarantors for the Loan Facility?

☐ Yes

☐ No

The full name, address, telephone and telefax numbers of each Guarantor are as follows:

Name: _____
 Address: _____

 Attention: _____
 Telephone: _____
 Telecopier: _____

4. The Items to be financed:

A. (1.) The Items: (Complete description of goods and services to be exported, e.g. machine tools, electronic components, logs, etc.)

(2.) Will Indirect Exports be included in the Export-Related Borrowing Base?

☐ Yes If yes, please indicate which Items above will include Indirect Exports and affirm:

☐ Funds available under the Export-Related Borrowing Base derived from Indirect Exports shall at all times constitute no more than 10% of the Maximum Amount of this Loan Facility in accordance with the standard stated in Section 4.15 of the Master Guarantee Agreement; or

☐ Indirect Exports might constitute more than 10% of the Maximum Amount of the Loan Facility. **Lender has obtained Ex-Im Bank's prior written consent to exceed 10% of the Maximum Amount. Attached is a copy of Ex-Im Bank's written consent. .**

☐ No

(3.) Have you obtained an Economic Impact Certification from the Borrower covering all Items listed in 4.A.(1) in accordance with Section 4.09 of the MGA?

☐ Yes

☐ No

B. Are Commercial Letters of Credit or Standby Letters of Credit (other than Warranty Letters of Credit) to be issued under this Loan Facility?

☐ Yes **If yes, approximately what percentage of the Loan Facility will be utilized for Commercial Letters of Credit or Standby Letters of Credit? ____%**

☐ No

C. Are Warranty Letters of Credit expected to be issued under this Loan Facility? If yes, Ex-Im Bank's prior written consent must be given for each such Warranty Letters of Credit.

☐ Yes **Lender has obtained Ex-Im Bank's prior written consent for issuance of such Warranty Letters of Credit. Attached is a copy of Ex-Im Bank's written consent.**

☐ No

D. Are Retainage Accounts Receivable to be included in the Export-Related Borrowing Base? If yes, Ex-Im Bank's prior written consent must be given for each such Retainage Account Receivable.

☐ Yes **Lender has obtained Ex-Im Bank's prior written consent for inclusion of each such Retainage Accounts Receivable. Attached is a copy of Ex-Im Bank's written consent.**

☐

No

5. Maximum Amount, Advance Rates, Loan Facility Terms:

A. Maximum Amount: \$ _____

B. Advance Rates by Categories of Primary Collateral:

- (1.) Inventory: The Advance Rate (to be multiplied by the Export-Related Inventory Value or Export-Related Historical Inventory Value) for Collateral categorized as Eligible Export-Related Inventory shall be:

_____ percent (___%)

- (2.) Accounts Receivable: The Advance Rate (to be multiplied by the Export-Related Accounts Receivable Value) for Collateral categorized as Eligible Export-Related Accounts Receivable shall be:

_____ percent (___%)

- (3.) Retainage Accounts Receivable: The Advance Rate (to be multiplied by the Retainage Value) for Collateral Categorized as Retainage Accounts Receivable shall be:

_____ percent (___%)

- (4.) Other Assets (as described in Section 6.A. below): The Advance Rate (to be multiplied by the Other Assets Value) for Collateral categorized as Other Assets shall be:

_____ percent (___%)

- (5.) Overseas Accounts Receivable: The Advance Rate (to be multiplied by the Export-Related Overseas Accounts Receivable Value) for Collateral categorized as Eligible Export-Related Overseas Accounts Receivable shall be:

_____ percent (___%)

- (6.) Overseas Inventory: The Advance Rate (multiplied by the Export-Related Overseas Inventory Value) for Collateral categorized as Eligible Export-Related Overseas Inventory shall be:

_____ percent (___%)

C. Type of Loan Facility and Exports Supported:

- (1.) Type of Loan Facility:

☐

The Loan Facility is a Revolving Loan Facility (other than a Transaction Specific Revolving Loan Facility). (Complete subsections (2.), (3.) and (5.), and, if applicable, (6.) below.)

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The Loan Facility is a Transaction Specific Revolving Loan Facility. (Complete subsections (3.), (4.), and (5.), and, if applicable, (6.) below.)

☐

The Loan Facility is a Transaction Specific Loan Facility. (Complete subsections (3.), (4.), and (5.), and, if applicable, (6.) below.)

- (2.) For a Revolving Loan Facility, identify the top three countries to which the Items will be exported:

Country of Export: _____

Country of Export: _____

Country of Export: _____

- (3.) Estimated total export sales each year to be supported by this Loan Facility:
\$ _____

- (4.) For a Transaction Specific Revolving Loan Facility or a Transaction Specific Loan Facility, identify the Specific Export Orders:

Country of Export: _____

Contract Price: \$ _____

Contract Number: _____

Contract Date: _____

Parties: _____

- (5.) Lender shall conduct field examinations:

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At least every six (6) months starting on the date six (6) months following the Effective Date of the Loan Facility.

☐

At least every six (6) months starting _____ (specify date no later than six (6) months following the Effective Date of the Loan Facility; semi-annual field examination schedule must include Borrower's fiscal year end date if audited financial statements will substitute for one field examination annually).

(6.) For Loan Facilities with a Loan Facility Term greater than one (1) year, Lender shall provide Ex-Im Bank an annual review:

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On each Loan Facility Anniversary Date or

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Annually starting _____ (specify date no later than the first anticipated Loan Facility Anniversary Date).

6. Security Interests:

Subject to the provisions of subsections D, E and F below in this section 6, Lender agrees to obtain the following valid, enforceable and perfected security interests in the following Collateral, and the proceeds thereof:

A. First priority in the following:

☐

All Inventory.

☐

All Export-Related Inventory.

☐

All Export-Related Overseas Inventory.

☐

All Export-Related Inventory relating to Specific Export Order(s).

☐

All Export-Related Overseas Inventory relating to Specific Export Order(s).

☐

All Accounts Receivable.

☐

All Export-Related Accounts Receivable.

☐

All Export-Related Overseas Accounts Receivable.

☐

All Export-Related Accounts Receivable relating to Specific Export Order(s).

☐

All Export-Related Overseas Accounts Receivable relating to Specific Export Order(s).

☐

All General Intangibles.

☐

All Export-Related General Intangibles.

☐ All Other Assets. Please specify: _____

☐ All Other Collateral. Please specify: _____

- B. Secondary Collateral: Any other assets of Borrower in which Lender is receiving a Lien to secure any other financial accommodations provided by Lender to such Borrower.

Please specify types: _____.

- C. Guarantor Collateral: Any assets of a Guarantor or a third party in which Lender is granted a Lien to secure any financial accommodations provided by Lender to Borrower.

Please specify: _____.

- D. Permitted Liens: _____.

- E. The Liens of Lender on the Secondary Collateral shall be a first priority Lien except for the following Liens: _____.

- F. The Liens of Lender on the Guarantor Collateral shall be a first priority Lien except for the following Liens: _____.

7. Terms of Sale:

The terms of sale for the Items under this Loan Facility shall be typical for the industry but in no event shall allow for payment more than 180 days following the original invoice date. The terms may include the following:

☐ Confirmed Irrevocable letters of credit.

☐ Irrevocable letters of credit.

☐ Open account insured through Ex-Im Bank export credit insurance for comprehensive commercial and political risk.

☐ Open account insured through non-Ex-Im Bank export credit insurance for comprehensive commercial and political risk.

☐ Cash payment received prior to shipment.

☐ Open account uninsured.

☐

Sight draft documents against payment (also known as "documentary collections").

☐

Other terms, please specify. _____.

8. Interest Rate and Other Fees.

A. Lender's Interest Rate: _____

B. Other Fees: _____

9. Facility Fee: Lender shall submit a completed and signed Schedule A together with the Facility Fee amount determined in accordance with the applicable section of Schedule A:

A. within ten (10) Business Days of the Effective Date; and

B. with respect to a Revolving Loan Facility (other than a Transaction Specific Revolving Loan Facility), within ten (10) Business Days of the first and second anniversaries of the Effective Date, as applicable.

10. Final Disbursement Date: The earlier of (a) _____ (____) months from the Effective Date or (b) _____, _____.

11. Financial Reporting Requirements: Lender shall require that Borrower and each Guarantor deliver to Lender the following financial statements:

A. Year End Financial Statements.

Within one hundred and twenty (120) days of Borrower's and each Guarantor's (other than individual Guarantor) fiscal year end or if such Person is required to submit a Form 10-K at the time of filing of such Form 10-K, the income statement, balance sheet and statement of cash flow as of such fiscal year end including, in each case, all footnotes and other disclosures, which disclosures have been:

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certified without qualification by an independent accounting firm acceptable to Lender (the "Accountants") (For Loan Facilities with a Maximum Amount of \$5,000,000 or more)

☐

reviewed by the Accountants (For Loan Facilities with a Maximum Amount of \$2,000,000 or more but less than \$5,000,000)

☐

compiled by the Accountants (For Loan Facilities with a Maximum Amount of \$1,000,000 or more but less than \$2,000,000)



internally prepared by management of such Person in accordance with GAAP certified as fairly presenting the financial condition of such Person as of the date thereof by an authorized officer of such Person (For Loan Facilities with a Maximum Amount of less than \$1,000,000)

B. Quarterly Financial Statements.

Within 45 days of Borrower's and each Guarantor's (other than an individual Guarantor) fiscal quarter end or if such Person is required to submit a Form 10-Q at the time of filing of such Form 10-Q, the income statement, balance sheet and statement of cash flow, as of the end of such fiscal quarter, which have been internally prepared by management of such Person in accordance with GAAP, and certified as fairly presenting the financial condition of such Person as of the date thereof by an authorized officer of such Person.

C. Individual Guarantor Financial Statements:

Once each year a personal financial statement on a bank form or such other form generally accepted by Lender.

12. Country Limitation Schedule.: (See attached Country Limitation Schedule dated _____, attached hereto and made a part hereof, which may be updated from time to time).
13. Special Conditions: (See Schedule B attached hereto and made a part hereof).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the _____ day of _____, _____.

(Name of Lender)

EXPORT-IMPORT BANK OF THE UNITED STATES

By _____
(Signature)

By _____
(Signature)

Name _____
(Print)

Name _____
(Print)

Title _____

Title _____

Guaranteed Loan Facility No. _____

Reminder: Please return one signed original to Ex-Im Bank, with the appropriate Facility Fee.

Schedule A - Facility Fee Schedule
Schedule B - Special Conditions

Schedule A to the Loan Authorization Agreement

Facility Fee Schedule

Lender: _____ Guaranteed Loan Number: _____

Borrower(s): _____

I. Loan Facility Type (Check one.)

- ☐ Revolving Loan Facility (other than Transaction Specific Revolving Loan Facility)
(Loan Facility Type “R” for use in Table 1)
- ☐ Transaction Specific Loan Facility (Loan Facility Type “TS” for use in Table 1)
- ☐ Transaction Specific Revolving Loan Facility (Loan Facility Type “TSR” for use in Table 1)

II. Loan Facility Fee Term, and Portion of Term for which the Facility Fee is due:

A. Number of months (total) in the term of the Loan Facility: _____

B. Number of months for which Facility Fee is due: _____
(Based on the chart which follows)

Table 1

LOAN FACILITY TYPE	If number of months in Part A is:	NUMBER OF MONTHS FOR WHICH FACILITY FEE IS DUE WITHIN 10 BUSINESS DAYS OF:		
		Effective Date	1st anniversary of Effective Date	2nd anniversary of Effective Date
R	Up to 12 months	Number of months set forth in Part II.A. above (minimum 6)	N/A	N/A
	More than 12 months, up to and including 24 months	12	Number of months set forth in Part II.A. less 12	N/A
	More than 24 months, up to and including 36 months	12	12	Number of months set forth in Part II.A. less 24
T, TSR	Any number of months	Number of months set forth in Part II.A. above (minimum 6)	N/A	N/A

Late fees accrue at the rate of Fifty Dollars (\$50.00) per day for each calendar day that the Facility Fee remains unpaid after the tenth (10th) Business Day following the Effective Date, each Loan Facility Anniversary Date, or the Effective Date of each Extension or amendment to the Loan Authorization Agreement increasing the Maximum Amount, as applicable, up to the sixtieth (60th) calendar day after such date.

III. Annual Facility Fee Percentage (check one):

- ☐ The Criteria for Reduced Facility Fee **have not** been met in accordance with Exhibit I to the Master Guarantee Agreement. The Annual Facility Fee Percentage is 1.50%, or 150 basis points.
- ☐ The Criteria for Reduced Facility Fee **have** been met in accordance with Exhibit I to the Master Guarantee Agreement. The Annual Facility Fee Percentage is 1.00%, or 100 basis points.

Note: For Revolving Loan Facilities (other than Transaction Specific Revolving Loan Facilities) with terms in excess of twelve (12) months, the Criteria for the Reduced Facility Fee must have been met **for each year or portion thereof** for which Lender remits the reduced Facility Fee.

IV. Facility Fee Calculation:

Show Facility Fee calculation in Table 2, below:

Table 2

Maximum Amount	X	Applicable Annual Facility Fee Percentage	Pro-rate Facility Fee if/as applicable			Amount of Facility Fee to remit to Ex-Im Bank
			X	Number of months for which Facility Fee is due (based on Table 1)	divided by 12 =	
\$	X	_____ bp (pa)	X		/ 12	= \$
Lender shall pay this Facility Fee to Ex-Im Bank within ten (10) Business Days of the [Effective Date] [1 st anniversary of Effective Date] [2 nd anniversary of Effective Date]:						= \$
Lender shall pay to Ex-Im Bank any late fees which accrue at the rate of Fifty Dollars (\$50.00) per day for each calendar day that the Facility Fee remains unpaid after the tenth (10 th) Business Day following the Effective Date, and each Loan Facility Anniversary Date, as applicable, up to the sixtieth (60 th) calendar day after such date.						= \$
Total (Facility Fee + any applicable late fees)						= \$

IN WITNESS WHEREOF, Lender has caused this instrument to be duly executed this _____ day _____, ____.

Receipt acknowledged by:
EXPORT-IMPORT BANK OF THE UNITED STATES

(Name of Lender)

By: _____
(Signature)

Name: _____
(Print or Type)

Title: _____
(Print or Type)

(Telephone) (Telefax)

By: _____
(Signature)

Name: _____
(Print or Type)

Title: _____
(Print or Type)

(Telephone) (Telefax)